North Simcoe Muskoka **LHIN**
RLISS de Simcoe Nord Muskoka

Together...Achieving Better Health, Better Care, Better Value

2010-2011 Annual Report

Ontario
Local Health Integration Network
Réseau local d'intégration des services de santé

North Simcoe Muskoka
Local Health Integration Network
Annual Report 2010-2011
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Message from the Board Chair and Chief Executive Officer

Ruben Rosen
Chair

Bernie Blais
Chief Executive Officer

On behalf of our Board and staff it is our pleasure to present highlights of North Simcoe Muskoka LHIN activities for fiscal year 2010-2011 ....a year of collaboration and innovation.

Our integrated health system design project, *Care Connections – Partnering for Healthy Communities,* consumed much of our time this year. It began with the official launch on March 31, 2010 and continued at a vigorous pace through symposiums, forums, working group meetings and stakeholder engagement. This included the two-day *Care Connections* symposium held in May that brought together over 350 stakeholders representing 140 LHIN funded and non-LHIN funded organizations.

In fall 2010 we held a celebration event to mark the completion of the design phase. We were pleased to have the Minister of Health and Long-Term Care, Deb Matthews in attendance. The Minister toured the 28 exhibits, which told the story of the Care Connections journey, taking time to converse with the representative of each exhibit. Her opening address to the 300 attendees included the following statements which validated over 20,000 hours of work that had been dedicated to this project:

> ***"It's important for us to come together – especially in this time of change – to exchange ideas and think about the future of this great healthcare system of ours. Ontarians want improved access to high-quality health care and it's up to us to work together and learn from each other to ensure we can deliver. North Simcoe Muskoka is leading the province in bringing this work together within all health care settings and community organizations. I want to congratulate the North Simcoe Muskoka LHIN on this important milestone."***

The North Simcoe Muskoka LHIN Leadership Council is to be recognized for its oversight role as the Steering Committee for our *Care Connections* project. The Council is the LHIN-wide body comprised of health care leaders from hospitals, long-term care homes, community support services, family health teams, municipalities, Simcoe Muskoka District Health Unit, clinicians and consumers. In addition to their full-time jobs as leaders in their own organizations, they dedicated numerous hours to ensuring that our project was completed on schedule and on time. The Leadership Council is supported by five Local Leadership Councils comprised of health care leaders from each of the LHIN's sub- geographic regions.

Other key North Simcoe Muskoka 2010-2011 activities included:

- Signing of a collaborative partnership agreement between the Northern Ontario School of Medicine and the NSM LHIN.
- Divestment of the French Language Health Services program from the Ministry of Health and Long-Term Care to the Local Health Integration Networks and announcement of the French Language Health Planning entity, Centre Sud-Ouest, for the North Simcoe Muskoka, Central and Central East LHINs.
- Implementation of key eHealth technologies, such as Hospital Report Manager and the Doorways project, both of which contribute to improving access to quality care.
- With the support and collaboration of our health service providers, we achieved many of the targets contained in the Ministry-LHIN Performance Agreement, for example:
    - reduced wait times for hip replacement surgery to 111 days, well within the target of 182 days
    - reduced Emergency Room length of stay for non-admitted complex patients to the NSM target of 6.8 hours
- A number of NSM hospitals received additional funding through the Pay for Results program, which recognizes the reduction in Emergency Room wait times.

The LHIN Board membership continues to change as part of the normal legislated rotation. In 2010-2011, Mick Peters, Lynn Stevenson and Erica Curtis completed their final terms. We appreciate their commitment and the major role they played in helping the Board to achieve the LHIN's objectives. We are delighted with the appointments of Peter Brown and Don Mitchell and look forward to their contributions to our governance responsibilities. Subsequently, all Board vacancies were filled by June 2011.

We wish to thank the LHIN Board and staff, our health service providers and all our communities for their diligence, ongoing commitment and support, as we continue to work together to achieve our vision of *Healthy People. Excellent Care. One System.*

RJ Rosen

Ruben Rosen, Board Chair

Bernie Blais

Bernie Blais, Chief Executive Officer

Members of the Board of Directors

Ruben Rosen, Chair (2005-2011)

Committee Membership:

- CEO Performance & Compensation
- Finance & Audit
- Governance
- Health Services

Anne Gagné, Vice-Chair (2007-2013)

Committee Membership:

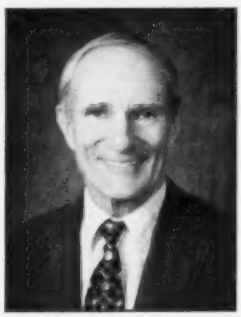
- Finance & Audit (C)
- Governance (C)

Rick Antaya, Director (2010- 2012)

Committee Membership:

- Governance

Peter Brown, Director (2010-2012)



Committee Membership:

- Governance

Lynda Coad, Director (2006-2011)

Committee Membership:

- Health Services (C)

Erica Curtis, Director (2008-2011)

Committee Membership:

- Health Services

Don Mitchell, Director (2010-2012)

Committee Membership:

- Finance & Audit (C)
- Health Services

Welcome to the North Simcoe Muskoka LHIN

Introduction

The **North Simcoe Muskoka Local Health Integration Network** (LHIN) is one of 14 regional organizations created by the Province of Ontario to improve the way health services are planned and delivered at the local level.

The North Simcoe Muskoka LHIN is responsible for planning, coordinating and funding health services to meet the specific needs of our communities in order to keep us healthier, have better access to health care services and reduce wait times.

The LHIN does not provide direct services. Rather, the LHIN helps ensure that health care services are planned, organized and appropriately funded and meet the needs of residents.

Services coordinated by the North Simcoe Muskoka LHIN include hospitals, the community care access centre, community support service organizations, mental health and addiction agencies, community health centres and long-term care homes.

In 2006, the North Simcoe Muskoka LHIN asked health service providers and people living in our communities to share their vision for a better health care system. We heard from over 5,000 people about what works best in today's health care system and what needs to be fixed. This input became a key component in the development of our initial Integrated Health Service Plan 2007-2010.

North Simcoe Muskoka LHIN Population Profile

The North Simcoe Muskoka LHIN has a 2009 population of 453,710 which is about 3.5% of Ontario's population. It is also cottage and ski country, a favourite place for year-round recreation and retirement. As a result, this region attracts many seasonal residents, tourists and events. Such factors contribute to large seasonal swings in population and ultimately demand for health services. This region is also growing and aging faster than the province as a whole.

- From 1999 to 2009, the population rose 18%. Yet the province's population grew 12%. By 2036 the population is expected to almost double in North Simcoe Muskoka.
- In 2009, seniors aged 65+ accounted for 15.8% of the population. That compares to 13.7% province-wide. By 2018, the 65+ portion of the population in North Simcoe Muskoka is expected to increase by almost 20%. That will place more demands on health care services.
- The region's base population is less diverse than other parts of Ontario. It has relatively lower numbers of immigrants and visible minorities. But it has a higher share of Aboriginal Peoples – 3.3% versus 1.4% province-wide. North Simcoe Muskoka is home to seven First Nations reserves with a total Aboriginal population of 13,770.
- French is the mother tongue for about 3% of this region versus 4.4% province-wide. North Simcoe Muskoka has three French language designated areas under the French Language Services Act namely Penetanguishene with 13.8%, Tiny Township with 12.9% and Essa Township with 8.0%.

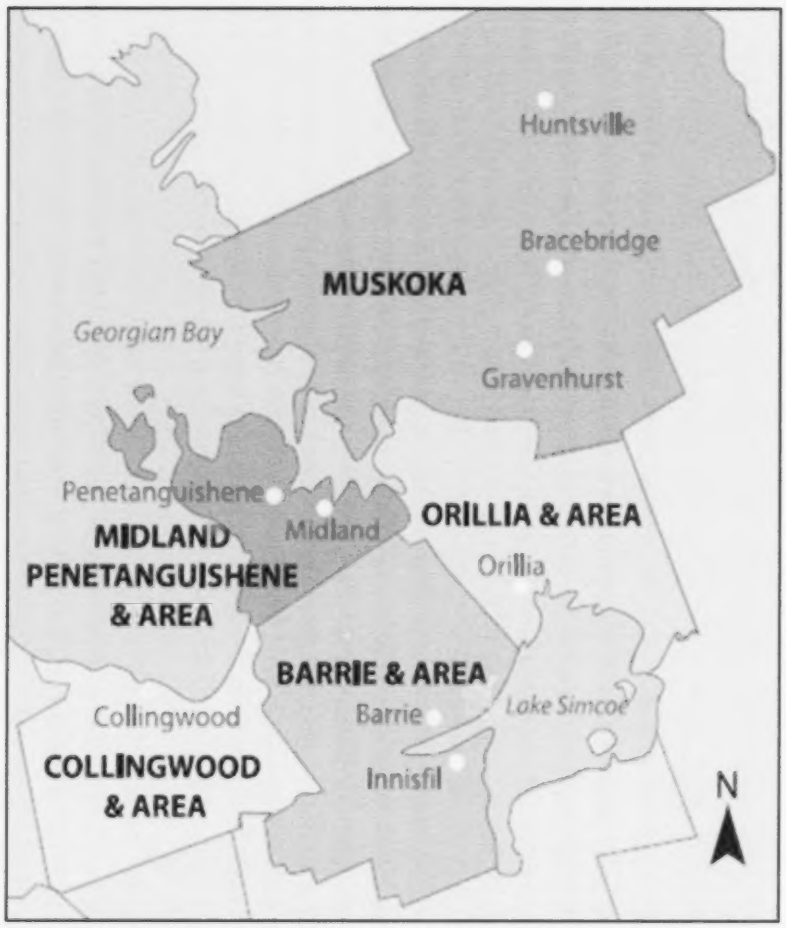
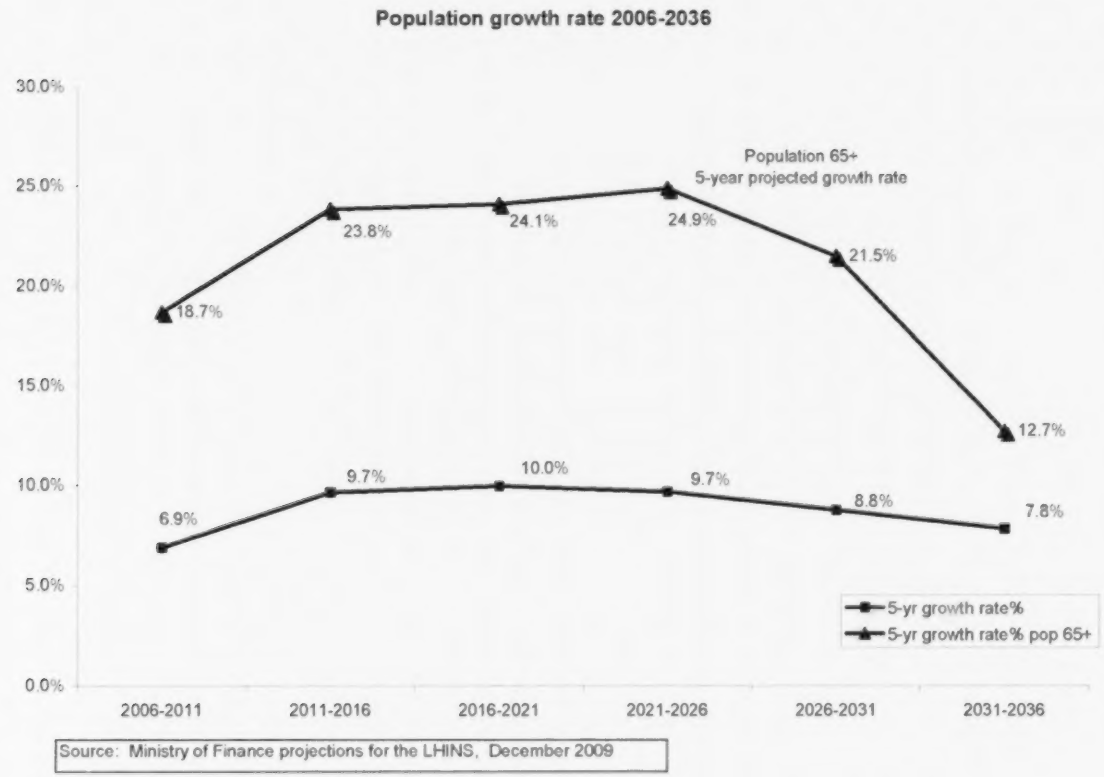


Figure 1: Map of NSM LHIN with 5 Geographic Areas

While healthcare needs are planned and provided on a LHIN-wide level, there is recognition that due to differing population structures across the five geographic planning areas, there is need for geographic-specific health care planning to effectively target the different segments of the population.

According to population projections (Figure 2) by the Ministry of Finance for the coming two decades, population '65 + ' will grow at more than twice the rate of the entire population. In ten years, one out of four North Simcoe Muskoka residents will be 65 years or older. The projected widening gap in growth rate in the next two decades as well as the narrowing of the gap forecasted from 2030, are factors to be taken into account by healthcare planners.

Figure 2: 5-year NSM LHIN population growth rates



North Simcoe Muskoka Health Profile

The North Simcoe Muskoka LHIN continues to be challenged by the health status of our residents. Poorer health status drives health care utilization and costs. According to the Statistics Canada Health Profile February 2011, 56% of the North Simcoe Muskoka population is obese or overweight. To a lesser degree, Ontario also witnessed an increase in overweight and obese population at 51%. There are more males overweight and obese, 63% compared to 47% females. The same pattern is observed for Ontario with 59% males and 44% females overweight and obese. The NSM smoking rate has risen to 26%, while the provincial average decreased to 19%. Approximately one in three NSM males smoke, compared to about one in five at the provincial level. In NSM, 25% of the female population smoke compared to the provincial average of 15%.

Heavy alcohol consumption is 18% compared to 15.6% provincially. Fruit and vegetable consumption rose to 44% at par with Ontario consumption level. More women eat fruits and vegetables compared to men. Fruit and vegetable consumption among NSM LHIN women was 51% compared to male consumption of 38%.

In North Simcoe Muskoka, many chronic conditions such as arthritis and hypertension have increased and remained higher than the provincial level. 21% of the North Simcoe Muskoka population has been diagnosed with high blood pressure compared to 17% for Ontario.

Rate of injury hospitalization per 100,000 population is 505, higher than provincial average of 420. Proportion of women delivering babies in acute care hospitals by caesarean section is 31%, higher than the 29% provincial average. Hospitalized hip fractures remain higher for the 65+ population in North Simcoe Muskoka at 482 events per 100,000, higher than 451 events provincially. The rate of hospitalization for the older female population of North Simcoe Muskoka is twice that of the male population at a ratio of 611 fractures for females to 305 fractures for males, reflecting the higher elderly female demographics in North Simcoe Muskoka.

In North Simcoe Muskoka, the rate of death from all causes per 100,000 population is 579 higher than 522 in Ontario. Rates of deaths from all cancers per 100,000 population is higher at 176 compared to the provincial average of 159. More men are dying from cancer than women. Death resulting from lung cancer and prostate cancer are at higher level than the province.

Local Health System Integration Act, 2006

The Local Health System Integration Act, 2006 (LHSIA) outlines expectations for an end state, mature system of planning and health care integration in Ontario. The LHIN's Integrated Health Service Plan (IHSP) is the foundational three-year strategic plan that sets out the vision, priorities, strategies and outcomes for how the local health system will work to achieve these expectations.

LHSIA articulates essential principles to guide the LHINs' implementation of the community engagement, planning and integration functions, all of which support the execution of the Integrated Health Service Plan. These principles include:

- Community Engagement
- Cooperation, Coordination and Integration
- Equity and Diversity
- Accountability and Transparency

Integrated Health Service Plan (IHSP) 2010-2013

"Working Together to Achieve Better Health, Better Care, Better Value"

Building upon the findings from our first Integrated Health Service Plan, the North Simcoe Muskoka LHIN's second three-year plan became effective on April 1, 2010 and identified the following three priorities:

1. Improve access to appropriate care, beginning with the emergency room and alternate level of care setting in the community or home;
2. Improve chronic disease management beginning with access to integrated diabetes care; and,
3. Create an integrated design for the future health system in NSM LHIN.

Strategic Direction 1

Improve access to appropriate care, beginning with the emergency room and alternate level of care setting in the community or home.

Individuals expect access to appropriate care, whether it is timely access to care in the Emergency Room, timely access to an appropriate hospital bed and timely discharge from hospital when hospitalization is no longer required. The NSM LHIN faces unique challenges with a growing aging population, diverse geography comprised of many rural communities, seasonal Emergency Room volume fluctuations, and a high prevalence of both chronic disease risk factors and chronic conditions. These must be addressed to improve patient flow and better meet the expectations of our communities.

To improve access to appropriate care, the NSM LHIN focused on reducing Emergency Room wait times and Alternate Level of Care (ALC) days. More specifically, the NSM LHIN collaborated with health services providers to identify and implement initiatives that would:

- Safely divert appropriate people from our ERs;
- Improve how we communicate and deal with patient needs to improve both patient flow and patient transitions; and
- Eliminate and/or delay the need to place people into long term care settings to ensure NSM residents live where they chose to live, and are safe to live, for as long as possible.

Three specific goals were designed to impact access to care:

1. Reduce emergency room demand with a focus on diverting people from the emergency room.
2. Build capacity and improve performance in the emergency room with a focus on designing and improving how we communicate about and deal with patient needs.
3. Improve bed utilization – ensure patients receive the right care for their conditions with a focus on ways to eliminate and/or delay the need to place people into long-term care homes.

Performance Highlights

1. ER Diversion

- A LHIN-wide Palliative Care Resource Team was established to support health service providers and patients across the health care continuum in the management of palliative and end-of-life care.

- In late 2010-11, a Nurse-Led Long Term Care Outreach Team was established to serve the Orillia, South Muskoka and Midland/Penetanguishene regions. This team linked Nurse Practitioners with frail seniors in long-term care for the on-site management of issues that historically have resulted in an ER transfer. This team complemented the team which already serves the Barrie area. The Barrie team provided care to 929 residents since service inception in April 2010.
- Re-ACT, a technology that allows remote monitoring of vital signs and supports early identification and management of health status change, was expanded to serve 80 additional patients annually. This program can be directly linked to a reduction in required nursing and personal support service hours for Re-ACT clients.
- Between April 1 and December 31, 2010 the Integrated Regional Falls Program (IRFP), the provinces only LHIN-wide integrated falls program, served 1606 seniors and provided 3,876 units of service.
- Two new Community Health Centres and two new Nurse Practitioner-led Clinics opened in North Simcoe Muskoka increasing access to primary care in the region. The Georgian NP-Led Clinic, which opened January 2011, exceeded ministry mandates for new patient admissions within 14 days.

2. ***Building Capacity & Improving Performance within the ER***
   - Georgian Bay General Hospital, Muskoka Algonquin Healthcare (Huntsville site), Orilila Soldiers' Memorial Hospital and Royal Victoria Hospital successfully completed the provincial Pay for Results program (P4R).
   - Georgian Bay General Hospital successfully completed participation in the Emergency Department Process Improvement Program, a parallel program to Pay for Results. This program provides an education and mentoring program focused on using LEAN methodology to improve patient flow.
   - Four ERs opened Clinical Decision Units to improve care to longer stay ER patients through implementation of standardized best practices.
   - Two ERs improved the care and wait times for low and medium acuity patients, one using a See and Treat area, the other through a Physician Assistant/Registered Nurse-Led Fast Track.
   - Implementation of numerous initiatives improved patient flow eg. discharge lounges, bullet rounds, white boards, and "wave the hand and cut the band".

   As a result of these and other initiatives ER wait times improved. Most recent data reflecting performance between April 1, 2010 and February 28, 2011 shows:
   - North Simcoe Muskoka ERs treated 54.5% of admitted patients within 8 hrs. This was a 13.2% increase from baseline, with Georgian Bay General Hospital improving by an impressive 18.2%. NSM is performing better than the provincial average of 40.9%. NSM ranked third in the province with respect to the proportion of admitted patients treated within 8 hours.
   - ER length of stay for the non-admitted low acuity patients improved by 2.2% when compared to the same quarter in the previous fiscal year.
   - Both Orillia Soldiers' Memorial and Georgian Bay General Hospitals posted 21.6% and 19.6% reductions respectively in time to Physician Initial Assessment when compared to baseline data.

At the second quarter of 2010-11, overall combined ER patient satisfaction in North Simcoe Muskoka was 89%, well above the LHIN target of 85%. It was also significantly higher than the provincial average of 83%, ranking second overall in the province.

3. ***Improved Bed Utilization***

Bed utilization and the reduction of both Alternate Level of Care (ALC) days and ALC length of stay received significant LHIN attention in 2010-11. This continues to be the biggest challenge facing NSM:

- 47 interim transitional care beds and 26 interim long-term care beds were opened across North Simcoe Muskoka.
- $3.3M in combined base and one-time funding was provided to CCAC for implementation of the Home First philosophy. The NSM CCAC has been providing active leadership in ***Home First*** having established a Steering Committee and facilitating two strategic planning days. ***Home First*** is identified as a key project in *Care Connections* implementation.
- Supportive housing capacity was expanded through Aging at Home funding. The Balance of Care program was expanded in Barrie while new programs were added in the Muskoka and Midland/Penetanguishene areas.
- Mill Creek Care Centre, a new 160-bed long-term care facility opened in Barrie in August 2010 which improved the ratio of long-term care beds available to residents, better aligning North Simcoe Muskoka with provincial averages.
- Complex Continuing Care (CCC) was a major focus of work over the past year with a LHIN-wide approach to CCC operations and care now moving forward. Standardized structure and processes will lend to improved patient flow and patient outcomes.
- A Patient Flow Forum was hosted by the NSM LHIN in fall 2010. The purpose of this event was to provide a forum for area hospitals and the NSM CCAC to discuss best practices and explore opportunities to collaborate to improve patient flow.
- The LHIN participated in the provincial Senior Friendly Hospital Strategy. Each area hospital, including the Waypoint Centre for Mental Health Care, completed a self-assessment which explored the relationship between seniors' health and the organization's policy, practice, and physical environment. NSM took leadership provincially by establishing a Senior Friendly Hospital Task Force and providing funding for a Senior Friendly Hospital Strategy Coordinator.
- An Alternate Level of Care (ALC) Working Group was established to review and address data reporting and common definitions to improve ALC data quality. This group has been active in identifying opportunities for data quality improvement.
- The NSM LHIN, NSM CCAC and two area hospitals actively participated in a Lean Six Sigma approach to system review. Projects focused on patients designated ALC within 48 hours of admission and patients with ALC lengths of stay greater than 30 days. One project at Georgian Bay General Hospital has seen a reduction in discharge to long-term care from 76% to 44%. This project also saw a reduction in the time between referral to discharge home, reduced from 14 to 3 days. Another project at Orillia Soldiers' Memorial Hospital reduced the time between initial assessment to CCAC service planning from 8.3 days in June to 1.05 days in November.
- North Simcoe Muskoka CCAC provided leadership in the standardization of wound care management through guidelines and best practices. CCAC worked with one agency to reduce their daily dressing changes from 17% above the provincial average to 5% below the provincial average. Through data measurement and management the CCAC continues to realize improved patient outcomes and has been able to re-allocate approximately $300,000 toward waitlist management.

- Several of the NSM Local leadership Councils have established Alternate Level of Care Sub-Groups to discuss local solutions to the ALC challenges.

Strategic Direction 2

Improve chronic disease management beginning with access to integrated diabetes care.

Improvement in the management and prevention of chronic disease is a priority area of focus for the North Simcoe Muskoka LHIN, given the relatively high and growing proportion of seniors and the high prevalence of (a) risk factors for chronic diseases such as smoking, heavy drinking and obesity and (b) chronic conditions of arthritis, hypertension, asthma, heart disease, diabetes, depression, chronic obstructive pulmonary disease and cancer.

North Simcoe Muskoka LHIN supports the Ontario Diabetes Strategy and is helping local communities expand services for people living with diabetes or at risk of becoming diabetic. The focus is on helping individuals to better manage their condition(s) along with the integration and coordination of care and self-management supports from wellness care, to illness care, to rehabilitative care and ending with supportive care. Through our Care Connections project, the LHIN is focused on increasing access to integrated diabetes care and education by strengthening partnerships and building capacity across the system over the next three years.

The two goals identified to support diabetes care in North Simcoe Muskoka are:

- Improve the delivery of diabetes care; and
- Improve the management and quality of diabetes care.

Performance Highlights

- The NSM Diabetes Regional Coordination Centre completed, on behalf of the Ontario Diabetes Strategy (ODS), a Diabetes Services Inventory in order to capture a snapshot of all diabetes services offered across our LHIN. Information gathered included Electronic Medical Record readiness within family practice offices, caseloads, services to patients and medical directives.
- The Patient Self Management project was funded through the Ontario Diabetes Strategy to train health service providers and patients in self-management of chronic illness, specific to diabetes. The South Georgian Bay Community Health Centre (SGBCHC) was awarded the project and coordinated the training sessions in collaboration with various community partners. Using the Stanford Model of Self Management Programming the coordinated sessions were overprescribed and the (SGBCHC) was able to surpass the targets for the key deliverables. This means over 40 health service providers across our LHIN have been trained in the Stanford Model of Self Management programming and over 20 patients were trained to self-manage their diabetes. Eight of those same 20 patients became lay-leaders now able to provide self-management education to their peers.

Strategic Direction 3

Create an integrated design for the future health system in NSM LHIN

Care Connections – Partnering for Healthy Communities

The first sentence of the NSM LHIN's initial Integrated Health Service Plan 2007-2010 *Imagine .... a better health care system* read, **"We will build a better health care system for North Simcoe Muskoka".** The three strategic priorities enabling that direction were: improve the health of residents; provide the right care, in the right place, at the right time; and, use our health care resources wisely.

The NSM LHIN asked service providers, community groups and the public to help plan for the health care needs of our residents. We asked "What are the health care needs now and in the future" and "How can we address those needs"? The people of North Simcoe Muskoka answered our call. We heard from more than 6,500 individuals across all sectors of society including spiritual and cultural groups, justice, education, municipalities, health providers and the public. **We asked....you told us ....we heard you**. It was clear to us that the status quo is not an acceptable option.

The *Care Connections* plan set in motion the health system improvements identified. Over 350 health care and other professionals from 140 organizations spent 20,000 hours developing this plan. Over the next 3 years *Care Connections* will implement LHIN-wide programs and initiatives focused on the following:

Actions to be Undertaken	Results / Benefits of Action Taken
Complex and Chronic Needs	
Put in place coordinated services that help people (go to circle diagram)	System upgrades that centre on patient needs and enriched quality of life
Build on the Chronic Disease Prevention and Management plan	Early program focus on diabetes care
Improve Behavioural Support Services	Better care for those with Alzheimer's, traumatic brain injuries and other specialized needs
In-Home and Community Capacity	
Improve access to Emergency Rooms (ERs)	Improved ER capacity and better access to alternate services resulting in: • Shorter emergency wait times • Fewer ER visits due to other choices for care • Reduce the time that people spend ion hospital when they could be cared for in a different setting (home or other care location)
Put in place a program to help people remain in their homes, or return home	Reduce long or needless hospital stays Improved quality of life for seniors who need a higher level of care

Actions to be Undertaken	Results / Benefits of Action Taken
Medicine Program	
A system that coordinates intensive care in all hospitals across North Simcoe Muskoka	• Required skilled health teams • Provide local support • Cost effective service
Put in place a heart health program	• Keep people healthy • Access to emergency services quicker • Closer to home rehabilitation
Mental Health and Addictions	
Redistribute NSM mental health and addictions hospital beds	Closer and quicker access to beds
Build mental health services for children and teens	Fill the gap that currently exists in youth services
Enhance crisis management and community resources	Improved support for after-hours and urgent care
Surgery Program	
Build a network that connects health service providers with people who need surgical services – first step – bone and joint care program	A system that is quick to respond and offers quality bone and joint surgery services
System Enablers (actions that support the needed changes and results)	
Make better use of Information and Communications technology	An electronic technology network that provides access to vital patient information and services at all times Simpler access to the health system which requires essential patient information once
Create and put in place a Health Human Resources (HHR) plan	Better support, recruitment and management of our health care workforce and resources
Improve system navigation (the way information and people move about the health care system)	First step - Better transportation services across NSM

The NSM LHIN will continue to seek input from the community and health service providers. The NSM LHIN is committed to improving and sustaining our health care system now and for the future.

Information and Communications Technology / eHealth

Running in parallel to the integrated health system design project, the ICT/eHealth project analyzed the business needs of the health system to identify additional and/or related opportunities for investment in ICT/eHealth.

Several objectives were achieved including:

- A current state assessment of North Simcoe Muskoka health service providers' technology
- Engagement and collaboration of health service providers from all care sectors, that helped inform the development of an ICT/eHealth Strategic Plan and Framework

- Over 100 ICT/eHealth initiatives documented as part of the strategic plan to be implemented over the 10-year implementation framework for the *Care Connections* project
- Identification of 17 prioritized initiatives for implementation in the first three years.

An eHealth Council, comprised of representatives from the NSM LHIN's health service providers, was established to:

- provide ICT/eHealth advice to the NSM LHIN Leadership Council that supports decisions made by the NSM LHIN CEO and Board
- serve as an ICT/eHealth expert advisory body responding to the health service needs of the NSM LHIN
- champion the implementation of identified ICT/eHealth initiatives.

Engaging the Community

Increasing Community Involvement

Community engagement continues to be a priority for the North Simcoe Muskoka LHIN, providing information to identify health system priorities, opportunities for new collaborations, and opportunities to explore new ideas to overcome challenges and make our region's health system as strong and effective as it can be. We are also committed to ensuring that our stakeholders are provided with the balanced and objective information they need to better understand the LHIN's role and mandate as well as the responsibilities and expectations of all stakeholders.

The LHIN employs a set of principles to guide the way in which we plan and carry out our community engagement activities, as well as our evaluation and reporting the results of those activities. The Community Engagement (CE) Guidelines and Toolkit were implemented by all LHINs in February 2011 to promote standardization, best practices and improve accountability and are available to the public online.

The North Simcoe Muskoka LHIN decision-making process takes into account results of stakeholder engagement to better understand their concerns and needs. In addition, a formal community engagement process helps us to partner and build relationships with individuals and groups throughout the community so we can involve them in activities such as identifying and developing preferred approaches for delivering integrated health care services.

A number of community engagement events associated with our *Care Connections – Partnering for Healthy Communities* project occurred during 2010-11. Two major symposiums / forums, town halls, information booths, 15 physician engagements and five governance sessions all helped inform the final project report. In addition, the *"Stories You Share, Help Build Better Care"* asked members of the public to tell the LHIN about their health care experiences, good or bad. This information helped inform the working groups involved with the project, develop preferred models of health care for North Simcoe Muskoka.

Aboriginal and Francophone Engagement

Aboriginal and francophone engagement in North Simcoe Muskoka took many forms in 2010-11.

The North Simcoe Muskoka LHIN Leadership Council provided strategic advice on the development of the integrated health system design. Council members are representative of the entire health system, including service providers funded by the LHIN and non-LHIN funded health related partners such as physicians, public health and municipalities. The Aboriginal and francophone communities are represented on the Council.

While the LHIN Leadership Council oversaw the broad LHIN-wide approach to health care services, five Local Leadership Councils were tasked with ensuring stakeholders had a 'close to home' body where they could discuss local initiatives or concerns. Aboriginal and francophone consumers are members on each local council. The Local Leadership Councils represent the following LHIN geographies:

- Barrie and Area
- Collingwood and Area
- Midland / Penetanguishene and Area
- Muskoka
- Orillia and Area

French Language Services (FLS) saw 2010-11as a year of transition. Provincial programs were transferred to the LHINs which resulted in the hiring and / or transferring of FLS Coordinators to the LHINs.

A French Language Services Provincial Working Group was established to:

- Develop a FLS accountability framework for LHINs and health service providers, including planning and reporting requirements and tools
- Share FLS best practices and develop FLS key performance measures
- Recommend strategies and processes to guide the work of the LHINs
- Develop a framework to address complaints relating to the local health systems
- Provide input into a common reporting format for francophone community engagement activities.

The North Simcoe Muskoka, Central East and Central LHINs signed an accountability agreement with the Entité de planification pour les services de santé en français #4 Centre Sud-Ouest / French language health planning entity #4 for Central South West Ontario. French Language Planning Entity 4 is in the process of developing work plans to assist the three LHINs with their francophone community engagement activities. We look forward to this new partnership.

Integration

North Simcoe Muskoka LHIN continues to focus on integration as a key driver for health system transformation. We have brought all sectors together through our LHIN Leadership Council and the five Local Leadership Councils to create health care solutions for the LHIN as well as for our local communities. *Care Connections*, our largest facilitated integration, has mobilized all sectors to work together and is on the cusp of implementing a LHIN-lead transformation of our NSM health care system.

Provincial LHIN Integration Community of Practice

NSM LHIN is participating in a Provincial LHIN Integration Community of Practice. The LHINs have recognized an opportunity to come together to share their experiences, strategies and processes with one another in order to learn from others and where appropriate, establish integration common approaches, best practices and standards.

Integration Activity

NSM LHIN has implemented four integrations through the LHSIA legislation that will increase efficiencies and improve health care delivery.

Integration Activity	Health Service Providers
By Funding	
Mactier Meals on Wheels chose not to sign an M-SAA for 2011-14 with the NSM LHIN. All services and funding for Mactier were transferred to Muskoka Seniors Home Assistance through their 2011-14 M-SAA effective April 1, 2011.	• MacTier Meals on Wheels • Muskoka Seniors Home Assistance
Chigamik Community Health Centre (CHC), South Georgian Bay Community Health(CHC) integrated their Back Office functions with NSM LHIN Community Care Access Centre (CCAC). Both CHCs signed their 2010-11 M-SAA that outlined the Service Level Agreement with the CCAC to provide Information Technology, Finance, and Human Resources services effective June 2010.	• Chigamik Community Health Centre • South Georgian Bay Community Health Centre • NSM LHIN Community Care Access Centre
Facilitated	
Muskoka Algonquin Healthcare (MAHC) divested Management Services to Huntsville District Nursing Home (Fairvern). Management of services and operations of Fairvern were supported through MAHC staff and contracts with MAHC included the Fairvern Administrator position held by the MAHC CEO. The divestment was effective April 1, 2011. There has been no financial impact on MAHC or Fairvern.	• Muksoka Algonquin Healthcare • Huntsville District Nursing Home (Fairvern)

Integration Activity	Health Service Providers
Facilitated	
The Integrated Regional Falls Program was integrated to link together acute care hospitals, primary care and community service organizations to provide a LHIN-wide integrated program of services to reduce the number of falls patients seen in ERs and admitted to hospital. The Integrated Regional Falls Program (IRFP) has been operational since March 2010 as a pilot. A Lean Six Sigma Study has shown improvement in the reporting of falls in the ED and the IRFP has successfully developed an integrated governance and operational model of service. The IRFP moved to become a base funded program beginning April 1, 2011.	• Orillia Soldiers' Memorial Hospital (OSMH) Lead organization • Royal Victoria Hospital (RVH) • Collingwood General & Marine Hospital (CGMH) • Georgian Bay General Hospital (Penetanguishene site) (GBGH) • Muskoka Algonquin Healthcare (Bracebridge and Huntsville sites)(MAHC) • Waypoint Centre for Mental Health Care • Victoria Order of Nurses (VON) for the SMART Exercise Program • North Simcoe Muskoka Community Care Access Centre (CCAC)

Performance

Table 1: Ministry-LHIN Performance Agreement – Performance Indicators for 2010-11

Performance Indicator	NSM 2010-11 Starting Point	NSM 2010-11 Performance Target	Most Recent Quarter 2010-11 NSM Performance	Percent from Target for Most Recent Quarter Result*	NSM 2010-11 Annual Result
1. 90th Percentile Wait Times for Cancer Surgery	55	55	62	12.7%	61
2. 90th Percentile Wait Times for Cardiac By-Pass Procedures	Not applicable for North Simcoe Muskoka				
3. 90th Percentile Wait Times for Cataract Surgery	117	133	132	-0.8%	133
4. 90th Percentile Wait Times for Hip Replacement	208	182	161	-11.5%	243
5. 90th Percentile Wait Times for Knee Replacement	230	182	187	2.7%	235
6. 90th Percentile Wait Times for Diagnostic MRI Scan	109	93	107	15.1%	105
7. 90th Percentile Wait Times for Diagnostic CT Scan	41	39	28	-28.2%	30
8. Percentage of Alternate Level of Care (ALC) Days - By LHIN or Institution***	19.82%	15.40%	18.40%	19.50%	19.40%
9. 90th Percentile ER Length of Stay for Admitted Patients	24.30	24.00	24.58	2.4%	23.23
10. 90th Percentile ER Length of Stay for Non-Admitted Complex (CTAS 1-3) Patients	6.90	6.80	6.80	0.0%	6.90
11. 90th Percentile ER Length of Stay for Non-Admitted Minor Uncomplicated (CTAS 4-5) Patients	4.20	4.00	4.03	0.8%	4.00
12. Repeat Unplanned ER visits within 30 Days for Mental Health Conditions**	14.10%	14.00%	14.33%	2.4%	12.99%
13. Repeat Unplanned ER Visits within 30 Days for Substance Abuse Conditions**	14.70%	14.70%	12.64%	-14.0%	12.63%
14. Readmission within 30 Days for Selected Case Management Groups**	15.50%	14.50%	16.97%	17.0%	15.53%

Source: Ministry of Health and Long-Term Care

* A negative percentage means North Simcoe Muskoka has met its target

** 2010-11 is based on only 2 quarters of data (Q1-Q2 2010-11) due to availability

*** 2010-11 is based on only 3 quarters of data (Q1-Q3 2010-11) due to availability

Ministry-LHIN Performance Agreement

The Ministry-LHIN Performance Agreement (M-LPA) is an agreement between the Ministry of Health and Long-Term Care and the fourteen LHINs describing each party's responsibility for developing and fulfilling clear and achievable performance obligations. Both parties are expected to work collaboratively and cooperatively by establishing clear lines of communication and responsibility, and by working diligently to resolve issues in a proactive and timely manner. LHINs are required to report quarterly on achievement relative to their performance targets and any identified risks.

Performance Indicators for 2010-11 - Notes:

1. **90th Percentile Wait Times for Cancer Surgery**
   In the fourth quarter of 2010/11, nine out of ten patients waited approximately 62 days for cancer surgery. This wait time was longer than at the end of the previous year and did not reach the target of 55 days. All five NSM hospitals provided oncology services with the majority of cases managed at Royal Victoria Hospital (RVH). Since RVH had been experiencing increased wait times in the past quarters (from Q3 to Q4, the wait times increased from 64 days to 71 days at RVH), this drove overall NSM LHIN wait times above target. The main factor behind the rising wait times at RVH is volume; RVH's referral activity has increased as more and more patients are being referred to RVH in anticipation of the opening of its expansion which will include the Simcoe Muskoka Regional Cancer Centre.

3. **90th Percentile Wait Times for Cataract Surgery**
   Three sites perform cataract surgeries in the NSM LHIN. At the end of 2009-10, wait times for cataract surgery were 117 days. This had been anticipated due to the directing of funds towards other key indicators that had higher wait times (for example elective hip and knee surgeries) and so a target of 133 days was established for 2010-11. Although the wait times increased to a high of 151 days during Q3, by the end of the year the wait times leveled off to the established target of 133 days which allowed NSM LHIN to meet its target.

4. **90th Percentile Wait Times for Hip Replacement**
   During fiscal year 2010/11, NSM LHIN experienced high wait times for both elective hip and elective knee replacement surgeries. The high waits were occurring primarily at Royal Victoria Hospital (RVH) where the majority of surgeries were performed. During the last 2 quarters, RVH implemented a series of initiatives to reduce the long wait times by working with surgeons' offices to target and prioritize those patients with the longest waits. Although this initiative initially resulted in, what appeared to be, an increase in wait times, the results really reflected that patients who had been waiting longer were now having their procedure performed. These initiatives have proved successful; the wait times in Q4 dropped from 272 days in Q3 to 161 days in Q4 for hip replacement surgery and from 244 days in Q3 to 187 days in Q4 for knee replacement surgery. Despite not having met its targets for the year, the LHIN is optimistic about maintaining the gains that have been achieved and the sustainability of this approach.

5. **90th Percentile Wait Times for Knee Replacement**

   Same as above.

6. **90th Percentile Wait Times for Diagnostic MRI Scan**
   There are two MRI sites in the NSM LHIN - Orillia Soldiers' Memorial Hospital (OSMH) and Royal Victoria Hospital (RVH) with RVH performing approximately 70% of the volume of cases in Q4 2010-11. Wait times in the LHIN increased between Q3 and Q4 from 96 days to 107 days, and have remained consistently above the target of 93 days for the fiscal year. These high wait times are mainly attributable to increasing requisition volumes at RVH but also reflect that RVH is awaiting approval for operating funding for a second MRI machine. RVH is working closely with the Provincial MRI Process Improvement Team to identify efficiencies and maximize usage of current operations.

7. **90th Percentile Wait Times for Diagnostic CT Scan**
   Wait times for Diagnostic CT Scans continue to decrease and are well below the 39 days target at 28 days in Q4 2010-11. From a previous year high of nearly 52 days, NSM LHIN hospitals continue to improve and enhance their performance.

8. **Percentage of Alternate Level of Care (ALC) Days – By LHIN or Institution**
   Although NSM LHIN % ALC Days rests above the provincial average of 16.31%, NSM LHIN continues to show steady improvement in this metric. Between Q2 and Q3 10/11 NSM LHIN improved in this indicator by 7.0% while the average improvement throughout the province was only 0.5% for the same period. This is the fourth quarter in a row in which a decline in % ALC Days has occurred in the NSM LHIN. The reduction of ALC days continues to be a challenge but discussion across all sectors has intensified in order to find solutions to ensure that patients are in the right setting at the right time.

9. **90th Percentile ER Length of Stay for Admitted Patients**
   NSM LHIN has been performing well with respect to the time that nine out of 10 admitted patients spend in the Emergency Room. In 2010-11, the overall length of stay for admitted patients was 23.2 hours which resulted in NSM LHIN meeting its target for the year and posting the shortest times in the province. Although there was a slight drop in performance in Q4 when the ER length of stay for admitted patients was 24.58 hours, this was still significantly better than the overall provincial wait times which averaged 35.77 hours prior to admission. When compared to the same quarter in the previous fiscal year, NSM LHIN hospitals demonstrated a 54 minute decrease in length of stay for admitted patients, representing a 3.5% improvement in performance.

10. **90th Percentile ER Length of Stay for Non-Admitted Complex (CTAS 1-3) Patients**
    When examining the time patients with complex conditions spent in the ER, NSM LHIN hospitals saw improved Q4 performance results of 6.8 hours reaching the NSM LHIN target for 2010-2011. While the NSM LHIN's performance improved in this period, provincial performance declined by 1.3%. When compared to the same quarter in the previous fiscal year, the 90th percentile length of stay for non-admitted complex patients improved by 24 minutes (5.6%). When compared to the provincial average, NSM LHIN residents generally leave Emergency Rooms 49 minutes sooner. The four

new Clinical Decision Units (CDUs) have played a key role in improved outcomes and decreased lengths of stay.

11. 90th Percentile ER Length of Stay for Non-Admitted Minor Uncomplicated (CTAS 4-5) Patients

90th Percentile Emergency Room length of stay for non-admitted uncomplicated patients increased slightly in Q4 2010-11 from 3.9 to 4.0 hours. Compared to Q4 2009-10, NSM LHIN residents spent 12 minutes less in the ER for minor/uncomplicated conditions. NSM LHIN achieved its annual target of 4.0 hrs ranking it fourth best in the province for fiscal year 2010-11. Numerous initiatives implemented within the last year can be attributed to this success; which include the "See & Treat area" at Georgian Bay General Hospital, Muskoka Algonquin Healthcare's "FastTrack" initiative, a new white board queuing system, Orillia Soldiers' Memorial Hospital's changes to physician scheduling and improved availability of diagnostic results.

12. Repeat Unplanned ER Visits within 30 Days for Mental Health Conditions

Repeat unplanned ER visits within 30 days for mental health conditions increased from 11.6% in Q1 to 14.3% in Q2, slightly higher than the target of 14%. This represents a 7.7% improvement in performance from the same period in the previous fiscal year. The various factors contributing to this positive performance included the "Shared Care" practice at Collingwood General and Marine Hospital. Other initiatives are underway as part of the *Care Connections* Mental Health and Addictions Coordinating Council and at the new Waypoint Centre for Mental Health Care (previously Mental Health Care Penetanguishene). Due to seasonal fluctuations, a rise in repeat unplanned ER visits had been expected. Overall, year-end performance was quite favourable, with repeat unplanned ER visits for mental health conditions reporting an annualized rate of 12.99%, well below the NSM LHIN target of 14%.

13. Repeat Unplanned ER Visits within 30 Days for Substance Abuse Conditions

In the NSM LHIN, repeat visits to the Emergency Room for substance abuse conditions decreased from 12.87% in Q1 to 12.64% in Q2, well below the LHIN target of 14.7%. Initiatives that helped to reduce the repeat visits included:

- The "Quicker response" initiative implemented in Collingwood Marine & General Hospital effectively manages the schedule for crisis clients proactively, therefore reducing ER repeat visits for Mental Health crisis situation;
- Individual treatment plans including support options (accessible during times of crisis) has been implemented in the Muskoka region. The individualized planning for crisis situations provides an alternative to visiting and revisiting the ED;
- The enhanced relationship between hospital and community mental health and addiction programs including timely response and follow-up to hospital referrals. Intervention services in the community sector help to further reduce the perceived need and precipitating factors leading to visits and revisits to ED.

14. Readmission with 30 Days for Selected Case Management Groups

The 30 day readmission rates for selected case mix groups (CMG) increased in Q2 2010-11 to 17%, up from 14.1% in Q1. With the exception of Muskoka Algonquin Healthcare, all NSM LHIN sites saw their readmission rates go up during the second quarter. The number of readmissions at Royal Victoria Hospital (RVH), the LHIN's largest hospital, affects the overall NSM LHIN readmission rates. RVH experienced the

highest increase from 14.1% in Q1 to 19.3% in Q2. The year-end performance for this indicator means that 15.53% of patients with selected diagnoses (such as diabetes, Congestive Heart Failure, Stroke, Pneumonia and others) were readmitted within 30 days.

North Simcoe Muskoka LHIN Operations

The North Simcoe Muskoka LHIN managed an allocation of $6,135,239 in fiscal year 2010-11. The allocation is comprised of the LHIN's base operational budget of $4,370,155, along with special initiative funding totaling $1,765,084.

The LHIN received special initiative funding to support provincial priorities as follows:

- e-Health Project Management Office (PMO)
- Information and Community Technology (ICT) – eHealth Framework
- www.ufirst.cc – Physician and Specialist eReferral System
- Ontario LHINs Privacy Project
- Aboriginal Planning
- Behavioural Supports Systems
- Critical Care (CC) Lead
- Emergency Department (ED) Lead
- Emergency Room (ER)/Alternate Level Care (ALC) Lead
- Francophone Community Engagement
- French Language Health Services
- Entite de planification des services de santé en francais #4 Centre Sud-Ouest / French language Health Planning Entity #4 for Central South West Ontario

Our Auditors' Report with audited financial statements and accompanying notes follow.

Financial statements of

North Simcoe Muskoka Local Health Integration Network

March 31, 2011

North Simcoe Muskoka Local Health Integration Network

March 31, 2011

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Independent Auditor's Report

To the Members of the Board of Directors of the
North Simcoe Muskoka Local Health Integration Network

We have audited the accompanying financial statements of the North Simcoe Muskoka Local Health Integration Network (the "LHIN"), which comprise the statement of financial position as at March 31, 2011, and the statements of financial activities, changes in net debt, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of North Simcoe Muskoka LHIN as at March 31, 2011, and the results of its financial activities, changes in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
May 30, 2011

North Simcoe Muskoka Local Health Integration Network

Statement of financial position
as at March 31, 2011

	2011	2010
	$	$
Financial assets		
Cash	**683,181**	912,595
Due from Ministry of Health and Long-Term Care ("MOHLTC")	**-**	187,000
Due from MOHLTC ("HSPs")	**2,876,506**	564,034
HST Receivable	**98,141**	-
Due from LHIN Shared Services Office (Note 4)	**-**	11,964
	3,657,828	1,675,593
Liabilities		
Accounts payable and accrued liabilities	**645,108**	998,401
Due to MOHLTC (Note 3b)	**68,382**	49,163
Due to Health Service Providers ("HSPs")	**2,876,506**	564,034
Due to the LHIN Shared Services Office and LHIN Collaborative (Note 4)	**36,779**	138
Deferred Revenue	**31,053**	63,857
Deferred capital contributions (Note 5)	**190,392**	210,465
	3,848,220	1,886,058
Commitments (Note 6)		
Net debt	**(190,392)**	(210,465)
Non-financial assets		
Capital assets (Note 7)	**190,392**	210,465
Accumulated surplus	**-**	-

Approved by the Board

RJ Rosen. Director

L. Anne Gagné Director

North Simcoe Muskoka Local Health Integration Network

Statement of financial activities
year ended March 31, 2011

	Budget (unaudited) (Note 8)	2011 Actual	2010 Actual
	$	$	$
Revenue			
MOHLTC funding			
HSP transfer payments (Note 9)	**691,614,637**	**736,024,967**	694,467,511
HSP capital payments (Note 10)	-	**1,757,249**	1,829,672
Operations of LHIN	**4,370,155**	**4,306,193**	4,056,690
LHIN Operations Special Funding (Note 11)	**418,527**	**1,765,084**	1,186,143
Amortization of deferred capital contributions (Note 5)	-	**84,036**	342,604
	696,403,319	**743,937,529**	701,882,620
Expenses			
Transfer payments to HSPs (Note 9)	**691,614,637**	**736,024,967**	694,467,511
Capital payments to HSPs (Note 10)	-	**1,757,249**	1,829,672
General operating expenses (Note 12)	**4,370,155**	**4,367,337**	4,398,066
LHIN Operations Special Funded Initiatives (Note 11)	**418,527**	**1,582,376**	1,134,001
	696,403,319	**743,731,929**	701,829,250
Annual surplus before funding repayable to the MOHLTC	-	**(205,600)**	(53,370)
Funding repayable to the MOHLTC (Note 3a)	-	**205,600**	53,370
Annual surplus	-	-	-
Opening accumulated surplus	-	-	-
Closing accumulated surplus	-	-	-

North Simcoe Muskoka Local Health Integration Network

Statement of changes in net debt
year ended March 31, 2011

	Budget (unaudited) (Note 8)	2011 Actual	2010 Actual
	$	$	$
Annual surplus			
Acquisition of capital assets	-	**(63,963)**	(248,864)
Amortization of capital assets	-	**84,036**	342,604
Change in other non-financial assets	-	**-**	14,224
Decrease in net debt	-	**20,073**	107,964
Opening net debt	-	**(210,465)**	(318,429)
Closing net debt	-	**(190,392)**	(210,465)

North Simcoe Muskoka Local Health Integration Network

Statement of cash flows
year ended March 31, 2011

	2011	2010
	$	$
Operating transactions		
Annual surplus	-	-
Less items not affecting cash		
Amortization of capital assets	84,036	342,604
Amortization of deferred capital contributions (Note 5)	(84,036)	(342,604)
	-	-
Changes in non-cash operating items		
Decrease in prepaid expenses	-	14,224
(Increase) decrease in due from MOHLTC	(2,125,472)	23,566
Decrease (increase) in due from LHIN Shared Services Office	11,964	(11,964)
Increase in HST receivable	(98,141)	-
(Decrease) increase in accounts payable and accrued liabilities	(353,293)	46,950
Increase in due to the MOHLTC	19,219	48,370
Increase (decrease) in due to HSPs	2,312,472	(210,566)
Increase (decrease) in due to the LHIN shared Services and LHIN Collaborative Office	36,641	(13,970)
(Decrease) increase in deferred revenue	(32,804)	63,857
	(229,414)	(39,533)
Capital Investment		
Acquisition of capital assets	(63,963)	(248,864)
Financing transactions		
Capital contributions received (Note 5)	63,963	248,864
Net decrease in cash	(229,414)	(39,533)
Cash, beginning of year	912,595	952,128
Cash, end of year	683,181	912,595

1. Description of business

The North Simcoe Muskoka Local Health Integration Network was incorporated by Letters Patent on June 2, 2005 as a corporation without share capital. Following Royal Assent to Bill 36 on March 28, 2006, it was continued under the Local Health System Integration Act, 2006 (the "Act") as the North Simcoe Muskoka Local Health Integration Network (the "LHIN") and its Letters Patent were extinguished. As an agent of the Crown, the LHIN is not subject to income taxation.

The LHIN is, and exercises its powers only as, an agent of the Crown. Limits on the LHIN's ability to undertake certain activities are set out in the Act.

The LHIN is funded solely by the Province of Ontario in accordance with the Ministry LHIN Accountability Agreement ("MLAA"), which describes budget arrangements established by the Ministry of Health and Long-Term Care ("MOHLTC") and provides the framework for the LHIN accountabilities and activities. These financial statements reflect agreed funding arrangements approved by the MOHLTC. The LHIN cannot authorize an amount in excess of the budget allocation set by the MOHLTC.

The LHIN assumed responsibility to authorize transfer payments to HSPs, effective April 1, 2007. The transfer payment amount is based on provisions associated with the respective HSP Accountability Agreement with the LHIN. Throughout the fiscal year, the LHIN authorizes and notifies the MOHLTC of the transfer payment amount; the MOHLTC, in turn, transfers the amount directly to the HSP ("Health Service Provider"). The cash associated with the transfer payment does not flow through the LHIN bank account.

The LHIN statements do not include any MOHLTC managed programs.

The mandates of the LHIN are to plan, fund and integrate the local health system within its geographic area. The LHIN spans carefully defined geographical areas and allows for local communities and health care providers within the geographical area to work together to identify local priorities, plan health services and deliver them in a more coordinated fashion. The LHIN covers the municipalities of Muskoka, most of Simcoe County and part of Grey County. The LHIN enters into service accountability agreements with service providers.

2. Significant accounting policies

The financial statements of the LHIN are the representations of management, prepared in accordance with Canadian generally accepted accounting principles for governments as established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants ("CICA") and, where applicable, the recommendations of the Accounting Standards Board ("AcSB") of the CICA as interpreted by the Province of Ontario. Significant accounting policies adopted by the LHIN are as follows:

Basis of accounting

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the fiscal year that the events giving rise to the revenues occur and they are earned and measurable; expenses are recognized in the fiscal year that the events giving rise to the expenses are incurred, and they are measurable. Through the accrual basis of accounting, expenses include non-cash items, such as the amortization of capital assets, and losses in the value of assets.

2. Significant accounting policies (continued)

Government transfer payments

Government transfer payments from the MOHLTC are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and the reasonable estimates of the amount can be made.

Certain amounts, including transfer payments from the MOHLTC, are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Funding is only recognized as revenue in the fiscal year the related expenses are incurred or services performed. In addition, certain amounts received are used to pay expenses for which the related services have yet to be performed. These amounts are recorded as payable to the MOHLTC at period end.

Funding payments to Health Service Providers in the LHIN geographic area flowed through the LHIN's financial statements. Funding allocations from the MOHLTC are reflected as revenue and an equal amount of transfer payments to authorized Health Service Providers ("HSPs") are expensed in the LHIN's financial statements for the year ended March 31, 2011.

Deferred capital contributions

Any amounts received that are used to fund capital asset purchases, are recorded as deferred capital contributions and are recognized over the useful life of the asset reflective of the provision of its services. The amount recorded under "revenue" in the Statement of Financial Activities, is in accordance with the amortization policy applied to the related capital asset recorded.

Capital assets

Capital assets are recorded at historic cost. Historic cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of capital assets. The cost of capital assets contributed is recorded at the estimated fair value on the date of contribution. Fair value of contributed capital assets is estimated using the cost of asset or, where more appropriate, market or appraisal values. Where an estimate of fair value cannot be made, the capital asset would be recognized at nominal value.

Maintenance and repair costs are recognized as an expense when incurred. Betterments or improvements that significantly increase or prolong the service life or capacity of a capital asset are capitalized. Computer software is recognized as an expense when incurred.

Capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives as follows:

Computer equipment and development	3 years straight-line method
Leasehold improvements	Life of lease straight-line method
Office furniture and equipment	5 years straight-line method

For assets acquired or bought into use during the year, amortization is provided for a full year.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Significant accounting policies (continued)

Segmented disclosures

Management has determined that existing disclosures in the Statement of Financial Activities and within the related notes for both the prior and current year sufficiently disclose information of all appropriate segments and, therefore, no additional disclosure is required.

3. Funding repayable to the MOHLTC

In accordance with the MLAA, the LHIN is required to be in a balanced position at year end. Thus, any funding received in excess of expenses incurred, is required to be returned to the MOHLTC.

a. The amount repayable to the MOHLTC related to current year activities is made up of the following components:

	Revenue	Expenses	2011 Surplus	2010 Surplus
	$	$	$	$
LHIN operations	**4,390,229**	**4,367,337**	**22,892**	1,228
e-Health PMO	**600,000**	**589,495**	**10,505**	786
ICT - e-Health Framework Project	**220,000**	**220,000**	**-**	254
www.ufirst.cc - e-Health Project	**84,000**	**74,862**	**9,138**	40
Ontario LHINs Privacy Project	**166,000**	**65,527**	**100,473**	35,000
Aboriginal Planning	**30,000**	**30,000**	**-**	-
Behavioural Support Systems	**75,000**	**75,000**	**-**	-
Critical Care Lead	**75,000**	**72,750**	**2,250**	-
Emergency Department Lead	**75,000**	**71,155**	**3,845**	14,208
ER/ALC Performance Lead	**100,000**	**100,000**	**-**	-
Francophone Community Engagement	**63,857**	**20,640**	**43,217**	-
French Language Health Services	**74,670**	**61,390**	**13,280**	-
Entite de planification des services de sante en francais #4 Centre Sud-Ouest	**201,557**	**201,557**	**-**	-
Self-Management Capacity Building	**-**	**-**	**-**	1,854
	6,155,313	**5,949,713**	**205,600**	53,370

3. Funding repayable to the MOHLTC (continued)

b. The amount due to the MOHLTC at March 31 is made up as follows:

	2011	2010
	$	$
Due to MOHLTC, beginning of year	**49,163**	793
Funding repaid to MOHLTC during the current year	**(186,381)**	(5,000)
Funding repayable to the MOHLTC related to current year activities (Note 3a)	**205,600**	53,370
Due to MOHLTC, end of year	**68,382**	49,163

4. Related party transactions

The LHIN Shared Services Office (the "LSSO") is a division of the Toronto Central LHIN and is subject to the same policies, guidelines and directives as the Toronto Central LHIN. The LSSO, on behalf of the LHINs, is responsible for providing services to all LHINs. The full costs of providing these services are billed to all of the LHINs. Any portion of the LSSO operating costs overpaid (or not paid) by the LHIN at the year end are recorded as a receivable (payable) from (to) the LSSO. This is all done pursuant to the Shared Service Agreement the LSSO has with all the LHINs.

LHIN Collaborative (LHINC) was formed in fiscal 2010 as a LHIN-led service to strengthen relationships between and among health service providers. LHINC is accountable to the LHINs, and funded by the LHINs with support from the Ministry of Health and Long-Term Care.

5. Deferred capital contributions

	2011	2010
	$	$
Balance, beginning of year	**210,465**	304,205
Capital contributions received during the year	**63,963**	248,864
Amortization for the year	**(84,036)**	(342,604)
Balance, end of year	**190,392**	210,465

6. Commitments

The LHIN has commitments under various operating leases expiring at dates up to 2014 related to building and equipment. Lease renewals are likely. Minimum lease payments due over the remaining terms of these leases are as follows:

	$
2012	101,666
2013	101,397
2014	98,431

The LHIN also has funding commitments to certain HSPs associated with accountability agreements. Minimum annual commitments to HSPs, based on the current accountability agreements as follows:

	$
Operation of hospitals	**370,073,503**
Grants to compensate for municipal taxation - public hospitals	**77,625**
Long term care homes	**119,846,628**
Community care access centres	**74,272,517**
Community support services	**11,526,139**
Assisted living services in supportive housing	**5,950,678**
Community health centres	**8,737,760**
Community mental health	**22,668,261**
Addictions program	**3,969,783**
Specialty psychiatric hospitals	**103,775,200**
Grants to compensate for municipal taxation - psychiatric hospitals	**23,400**
Acquired brain injury	**1,145,214**
	722,066,708

The actual amounts which will ultimately be paid are contingent upon LHIN funding received by the MOHLTC.

7. Capital assets

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
	$	$	$	$
Office furniture and equipment	**452,102**	**314,120**	**137,982**	202,286
Computer equipment	**151,240**	**138,030**	**13,210**	8,179
Leasehold improvements	**936,349**	**897,149**	**39,200**	-
	1,539,691	**1,349,299**	**190,392**	210,465

8. Budget figures

The budgets were approved by the Government of Ontario. The budget figures reported on the Statement of Financial Activities reflect the initial budget at April 1, 2010. The figures have been reported for the purposes of these statements to comply with PSAB reporting requirements. During the year the government approved budget adjustments. The following reflects the adjustments for the LHIN during the year:

The total HSP funding budget of $736,187,374 is made up of the following:

	$
Initial budget	**691,614,637**
Adjustment due to announcements made during the year	**44,572,737**
Total budget	**736,187,374**

The total revised operating budget of $6,135,239 is made up of the following:

	$
Initial budget as reported on the statement of financial activities	**4,788,682**
Additional funding received during the year for:	
eHealth PMO	**600,000**
Ontario LHINs Privacy Project	**166,000**
ICT - e-Health Framework Project	**220,000**
www.ufirst.cc - e-Health Project	**84,000**
Critical Care Lead	**75,000**
Entite de planification des services de sante en francais #4 Centre Sud-Ouest	**201,557**
Total budget	**6,135,239**

9. Transfer payments to HSPs

The LHIN has authorization to allocate funding of $736,024,967 (2010 - $694,467,511) to the various HSPs in its geographic area. The LHIN approved transfer payments to the various sectors in fiscal 2011 as follows:

	2011	2010
	$	$
Operation of hospitals	**384,229,083**	364,199,298
Grants to compensate for municipal taxation - public hospitals	**77,625**	77,625
Long term care homes	**118,110,631**	110,435,817
Community care access centres	**76,378,367**	69,782,223
Community support services	**12,081,422**	10,878,015
Assisted living services in supportive housing	**5,668,756**	5,412,834
Community health centres	**7,587,106**	4,250,477
Community mental health	**22,594,107**	22,080,458
Addictions program	**3,910,662**	3,524,808
Specialty psychiatric hospitals	**104,218,594**	102,858,897
Grants to compensate for municipal taxation - psychiatric hospitals	**23,400**	23,400
Acquired brain injury	**1,145,214**	943,659
	736,024,967	694,467,511

10. Capital payments to HSPs

The allocation represents the approved LHIN allocation to support grants for public and specialty psychiatric hospitals in 2009/10 under the 2009/10 Health Infrastructure Renewal Fund (HIRF), and in accordance with 2009/10 HIRF Guidelines which the ministry has provided to LHINs.

11. LHIN Operations Special Funding

The LHIN received additional operational funding for special initiatives during the year as follows:

	2011	2010
	$	$
e-Health PMO	**600,000**	600,000
Information & Community Technology (ITC) - e-Health Framework	**220,000**	80,000
www.ufirst.cc - Physician and Specialist eReferral System	**84,000**	37,000
Ontario LHINs Privacy Project	**166,000**	35,000
Aboriginal Planning	**30,000**	30,000
Behavioural Support Systems	**75,000**	165,000
Critical Care Lead	**75,000**	-
Emergency Department Lead	**75,000**	75,000
Emergency Room/Alternative Level of Care ("ER/ALC") Performance Lead	**100,000**	100,000
Francophone Community Engagement	**63,857**	4,143
French Language Health Services	**74,670**	-
Entite de planification des services de sante en francais #4 Centre Sud-Ouest	**201,557**	-
Ontario Diabetes Strategy	**-**	25,000
Self-Management Capacity Building	**-**	35,000
	1,765,084	1,186,143

a) e-Health PMO

The LHIN received funding of $600,000 (2010 - $600,000) related to the e-Health PMO. E-Health expenses incurred during the year are as follows:

	2011	2010
	$	$
Salaries and benefits	**436,360**	420,040
Occupancy	**26,102**	28,229
Shared services	**47,933**	51,816
Consulting services	**14,640**	32,234
Other services	**14,108**	15,654
Supplies, equipment and licences	**35,026**	35,955
Travel	**7,644**	7,654
Mail, courier and telecommunications	**7,682**	7,632
	589,495	599,214

11. LHIN Operations Special Funding (continued)

b) Information and Community Technology (ITC) - e-Health Framework

The LHIN received funding of $220,000 (2010 - $80,000) related to the ITC - e-Health Framework Project. Expenses incurred during the year for this project are as follows:

	2011	2010
	$	$
Salaries and benefits	-	10,796
Advertising and public relations	-	3,780
Consulting services	220,000	61,060
Other services	-	3,626
Supplies, equipment and licences	-	321
Mail, courier and telecommunications	-	162
	220,000	79,746

c) www.ufirst.cc - Physician and Specialist eReferral System

The LHIN received funding of $84,000 (2010 - $37,000) related to the www.ufirst.cc - Physician and Specialist eReferral System Project. Expenses incurred during the year for this project are as follows:

	2011	2010
	$	$
Consulting services	74,862	36,960

d) Ontario LHINs Privacy Project

The LHIN received funding of $166,000 (2010 - $35,000) related to the e-Health Ontario LHINs Privacy Project. Expenses incurred during the year for this project are as follows:

	2011	2010
	$	$
Consulting services	65,527	-

e) Aboriginal Planning

The LHIN received funding of $30,000 (2010 - $30,000) related to the Aboriginal Planning initiative. Aboriginal Planning expenses incurred during the year are as follows:

	2011	2010
	$	$
Salaries and benefits	-	14,460
Travel	-	540
Special project expenditures	30,000	15,000
	30,000	30,000

11. LHIN Operations Special Funding (continued)

f) Behavioural Support Systems

The LHIN received funding of $75,000 (2010 - $165,000) related to Behavioural Support Systems. Expenses incurred during the year for this project are as follows:

	2011	2010
	$	$
Special project expenditures	**75,000**	165,000

g) Critical Care Lead

The LHIN received funding of $75,000 (2010 – $NIL) related to the Critical Care Lead initiative. Critical care Lead expenses incurred during the year are as follows:

	2011	2010
	$	$
Consulting services	**72,750**	-

h) Emergency Department Lead

The LHIN received funding of $75,000 (2010 - $75,000) related to the Emergency Department Lead initiative. Emergency Department Lead expenses incurred during the year are as follows:

	2011	2010
	$	$
Consulting services	**69,000**	60,000
Travel	**2,119**	-
Mail, courier and telecommunications	**36**	792
	71,155	60,792

i) ER/ALC Performance Lead

The LHIN received funding of $100,000 (2010 - $100,000) related to the ER/ALC Performance Lead initiative. Expenses incurred during the year for this project are as follows:

	2011	2010
	$	$
Salaries and benefits	**97,877**	89,648
Other services	**730**	3,698
Supplies, equipment and licences	**-**	784
Travel	**642**	4,853
Mail, courier and telecommunications	**751**	1,018
	100,000	100,000

11. LHIN Operations Special Funding (continued)

j) Francophone Community Engagement

The LHIN received funding of $63,857 (2010 - $4,143) related to Francophone Community Engagement. Expenses incurred during the year for this initiative are as follows:

	2011	2010
	$	$
Salaries and benefits	14,347	-
Other services	6,293	4,143
	20,640	4,143

k) French Language Health Services

The LHIN received funding of $74,670 (2010 - $Nil) related to French Language Health Services. Expenses incurred during the year are as follows:

	2011	2010
	$	$
Salaries and benefits	56,989	-
Other services	139	-
Supplies, equipment and licences	2,898	-
Travel	984	-
Mail, courier and telecommunications	380	-
	61,390	-

l) Entite de planification des services de sante en francais #4 Centre Sud-Ouest

The LHIN received funding of $201,557 (2010 - $Nil) related to the Entite de planification des services de sante en francais #4 Centre Sud-Ouest. Expenses incurred during the year for this initiative are as follows:

	2011	2010
	$	$
Special project expenditures	201,557	-

m) Ontario Diabetes Strategy

The LHIN received funding of $Nil (2010 - $25,000) related to the Ontario Diabetes Strategy. Expenses incurred during the year for this strategy are as follows:

	2011	2010
	$	$
Salaries and benefits	-	25,000

11. LHIN Operations Special Funding (continued)

n) Self-Management Capacity Building

The LHIN received funding of $Nil (2010 - $35,000) related to Self-Management Capacity Building. Expenses incurred during the year for this initiative are as follows:

	2011	2010
	$	$
Other services	-	2,912
Supplies, equipment and licences	-	29,395
Travel	-	839
	-	33,146

12. General operating expenses

The Statement of Financial Activities presents the expenses by function, the following classifies general operating expenses, by object:

	2011	2010
	$	$
Salaries and benefits	**2,921,819**	2,399,026
Occupancy	**169,660**	176,813
Amortization	**84,036**	342,604
Shared services	**394,562**	323,184
Advertising and public relations	**7,676**	21,972
Consulting services	**287,225**	513,877
Other services	**223,799**	236,169
Supplies, equipment and licences	**63,873**	152,271
Board expenses	**119,634**	129,045
Travel	**48,833**	52,804
Mail, courier and telecommunications	**46,220**	50,301
	4,367,337	4,398,066

Board expenses included in general operating expenses above include per diem costs and other Board expenses as follows:

		2011	2010
	Budget	Actual	Actual
	$	$	$
Board Chair per diem cost	**70,000**	**54,600**	73,150
Directors per diem cost	**75,000**	**40,600**	32,900
Board expenses	**55,000**	**24,434**	22,995
	200,000	**119,634**	129,045

13. Pension agreements

The LHIN makes contributions to the Hospitals of Ontario Pension Plan ("HOOPP"), which is a multi-employer plan, on behalf of approximately 28 members of its staff. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by the employees, based on the length of service and rates of pay. The amount contributed to HOOPP for fiscal 2011 was $258,386 (2010 - $217,414) for current service costs and is included as an expense in the Statement of Financial Activities. The last actuarial valuation was completed for the plan as of December 31, 2010. At that time, the plan was fully funded.

14. Guarantees

The LHIN is subject to the provisions of the *Financial Administration Act*. As a result, in the normal course of business, the LHIN may not enter into agreements that include indemnities in favour of third parties, except in accordance with the *Financial Administration Act* and the related Indemnification Directive.

An indemnity of the Chief Executive Officer was provided directly by the LHIN pursuant to the terms of the *Local Health System Integration Act, 2006* and in accordance with s. 28 of the *Financial Administration Act*.

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